


**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

<p>W-02470A White Mountain Water Company P. O. Box 1760 Payson AZ 85547</p>	<p>ARIZONA CORPORATION COMMISSION</p> <p><b>RECEIVED</b></p> <p>MAY 14 2003</p> <p>Director of Games</p>	
---	--	---

**ANNUAL REPORT**

*Entered  
5/15/23  
C.M.*

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2002</b>
-----------	-----------	-------------

FOR COMMISSION USE

<i>ANN04</i>	<i>02</i>
--------------	-----------

## COMPANY INFORMATION

Company Name (Business Name) White Mountain Water

Mailing Address P.O. Box 1760  
(Street)

Payson, AZ 85547  
(City) (State) (Zip)

928-468-8558 928-601-3497  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address juncheney@hotmail.com

Local Office Mailing Address \_\_\_\_\_  
(Street)

\_\_\_\_\_  
(City) (State) (Zip)

928-537-8600  
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

## MANAGEMENT INFORMATION

Management Contact: Jon Cheney President/operator  
(Name) (Title)

\_\_\_\_\_  
(Street) (City) (State) (Zip)

928-468-8558 928-601-3497  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

On Site Manager: Same T  
(Name)

\_\_\_\_\_  
(Street) (City) (State) (Zip)

\_\_\_\_\_  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

Statutory Agent: \_\_\_\_\_

(Name)

Jon Cheney

(Street)

P.O. Box 1760 Payson, AZ 85547

(City)

(State)

793 Highline Dr Payson AZ 85547

(Zip)

928-468-8558

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

928-601-3497

Pager/Cell No. (Include Area Code)

Attorney: \_\_\_\_\_

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☒ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

White Mountain Water Co

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	2140	2140	- 0 -
302	Franchises	—	—	—
303	Land and Land Rights	8,000	- 0 -	8,000
304	Structures and Improvements	1719	1719	- 0 -
307	Wells and Springs	31,362	20,397	10,965
311	Pumping Equipment	28,889	26,241	2648
320	Water Treatment Equipment	—	—	—
330	Distribution Reservoirs and Standpipes	39,900	26,996	12,904
331	Transmission and Distribution Mains	139,589	138,095	1494
333	Services	39,534	38,937	597
334	Meters and Meter Installations	4552	4552	- 0 -
335	Hydrants	28,000	28,000	- 0 -
336	Backflow Prevention Devices	—	—	—
339	Other Plant and Misc. Equipment	475	475	- 0 -
340	Office Furniture and Equipment	—	—	—
341	Transportation Equipment	—	—	—
343	Tools, Shop and Garage Equipment	—	—	—
344	Laboratory Equipment	—	—	—
345	Power Operated Equipment	383	383	- 0 -
346	Communication Equipment	—	—	—
347	Miscellaneous Equipment	—	—	—
348	Other Tangible Plant	—	—	—
	<b>TOTALS</b>	<b>324,543</b>	<b>282,935</b>	<b>36,608</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

White Mountain Water Co

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	2140	0	0
302	Franchises	—	—	—
303	Land and Land Rights	8000	—	—
304	Structures and Improvements	1719	—	0
307	Wells and Springs	31362	1.55	487
311	Pumping Equipment	28,889	.426	123
320	Water Treatment Equipment	—	—	—
330	Distribution Reservoirs and Standpipes	39,900	1.48	592
331	Transmission and Distribution Mains	139,589	1.97	2745
333	Services	39,534	2.12	840
334	Meters and Meter Installations	4552	.46	21
335	Hydrants	28,000	-0-	-0-
336	Backflow Prevention Devices	—	—	—
339	Other Plant and Misc. Equipment	475	-0-	-0-
340	Office Furniture and Equipment	<del>425</del> -0-	-0-	-0-
341	Transportation Equipment	—	—	—
343	Tools, Shop and Garage Equipment	—	—	—
344	Laboratory Equipment	—	—	—
345	Power Operated Equipment	383	-0-	-0-
346	Communication Equipment	—	—	—
347	Miscellaneous Equipment	—	—	—
348	Other Tangible Plant	—	—	—
	<b>TOTALS</b>	<b>324,543</b>		<b>4808</b>

This amount goes on Comparative Statement of Income and Expense  
Acct. No. 403.

COMPANY NAME

White Mountain Water Co

**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 27,595	\$ 37,745
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 27,595	\$ 37,745
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 324,544	\$ 324,544
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	283,127	287,935
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 41,417	\$ 36,609
	<b>TOTAL ASSETS</b>	\$ 69,012	\$ 74,354

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME White Mountain Water Co

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ - 0 -	\$ - 0 -
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ - 0 -	\$ 17,751
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	124,432	143,218
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 124,432	\$ <del>160,969</del> <sup>143,218</sup>
	<b>TOTAL LIABILITIES</b>	\$ 124,432	\$ 160,969
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 35,000	\$ 35,000
211	Paid in Capital in Excess of Par Value	49,232	49,232
215	Retained Earnings	(139,652)	(170,847)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ (55,420)	\$ (86,615)
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 69,012	\$ 74,354

COMPANY NAME White Mountain Water Co

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 87,031.04	\$ 96,647.31
460	Unmetered Water Revenue		
474	Other Water Revenues	355.00	320.00
	<b>TOTAL REVENUES</b>	\$ 87,386.04	\$ 96,967.31
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 21,688.40	\$ 2224.90
610	Purchased Water		
615	Purchased Power	6,243.55	4,768.60
618	Chemicals		
620	Repairs and Maintenance	854.25	1056.14
621	Office Supplies and Expense	104.97	81.00
630	Outside Services	48,643.95	64,572.47
635	Water Testing	914.64	628.80
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	1,992.00	1,992.00
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	45.00	
675	Miscellaneous Expense		
403	Depreciation Expense	5520	4808
408	Taxes Other Than Income		
408.11	Property Taxes	2835.71	3718.43
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 88,842.47	\$ 89,850.34
	<b>OPERATING INCOME/(LOSS)</b>	\$ (1,456.43)	\$ 7,116.97
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	7109.30	1,775.10
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ (7109.30)	\$ (1,775.10)
	<b>NET INCOME/(LOSS)</b>	\$ (8565.73)	\$ 5,341.87

COMPANY NAME

White Mountain Water Co

**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	12/85 renewed on 4/1/93			
Source of Loan	Jon Cheney			
ACC Decision No.				
Reason for Loan	operating cost			
Dollar Amount Issued	\$ 85,000	\$	\$	\$
Amount Outstanding	\$ 17,751.00	\$	\$	\$
Date of Maturity	renewed annually			
Interest Rate	10%			
Current Year Interest	\$ 1,775.10	\$	\$	\$
Current Year Principle	\$ 57,451.30	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ - 0 -

Meter Deposits Refunded During the Test Year

\$ - 0 -

COMPANY NAME

White Mountain Water

**WATER COMPANY PLANT DESCRIPTION****WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-511177	20	130	460	8"	2"	1984
55-581527	5	25	460	6"	2"	1999

- Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	1	33	
15	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
65,000	2	5,000	1

COMPANY NAME

White Mountain Water Co

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

## MAINS

Size (in inches)	Material	Length (in feet)
2	Pvc	<del>2550</del> 3300
3		
4		
5		
6	Pvc	19,800
8	Pvc	7200
10		
12		

## CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	154
3/4	
1	
1 1/2	
2	2
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

## TREATMENT EQUIPMENT:

1 chlorinator

## STRUCTURES:

12 x 12 pump house

## OTHER:

## WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	152	804,240	
FEBRUARY	152	804,630	
MARCH	153	783,100	
APRIL	154	625,980	
MAY	154	986,000	
JUNE	154	1,501,100	
JULY	152	3,300,210	
AUGUST	152	2,309,320	
SEPTEMBER	152	1,752,600	
OCTOBER	154	1,381,900	
NOVEMBER	154	1,211,350	
DECEMBER	156	849,330	
TOTAL		N/A	

*16309720 ca*

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes

(X) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes

(X) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. *.006* <sup>#2</sup> *.006* <sup>#2</sup> mg/l  
(If more than one well, please list each separately) *6ppb* *6ppb*

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME White Mountain Water Co YEAR ENDING 12/31/2002

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 3,718.43

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported \_\_\_\_\_  
Estimated or Actual Federal Tax Liability Sub "S" corp none

State Taxable Income Reported \_\_\_\_\_  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Jon Cheney  
SIGNATURE

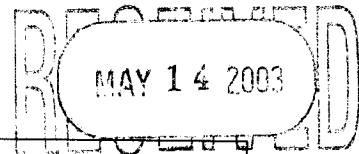
5/12/03  
DATE

Jon Cheney  
PRINTED NAME

President  
TITLE

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

ARIZONA CORPORATION  
COMMISSION



**VERIFICATION**

STATE OF Arizona  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	<u>Mazda</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Jon Cheney</u>
COMPANY NAME	<u>White Mountain Water Co</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2002</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 102,907.28

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 5,939.97  
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

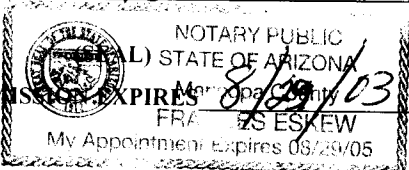
13th

**DAY OF**

COUNTY NAME	<u>Gila</u>	
MONTH	<u>May</u>	<u>2003</u>

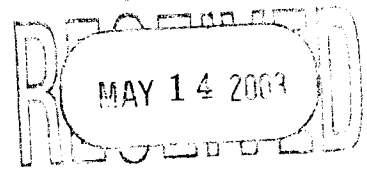
Frances E. New  
SIGNATURE OF NOTARY PUBLIC

**MY COMMISSION EXPIRES**



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION  
COMMISSION



VERIFICATION

STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE

(COUNTY NAME) <u>Maricopa</u>	
NAME (OWNER OR OFFICIAL) <u>Jan Cheney</u>	TITLE <u>President</u>
COMPANY NAME <u>White Mountain Water Co</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  \$ <u>102,907.28</u>
---

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 5,939.97  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

Jan Cheney  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

13th

DAY OF



MY COMMISSION EXPIRES

8-29-05

NOTARY PUBLIC NAME <u>Frances Eskeu</u>	
COUNTY NAME <u>Maricopa</u>	
MONTH <u>May</u>	20 <u>03</u>

Frances Eskeu  
SIGNATURE OF NOTARY PUBLIC

WHITE MOUNTAIN WATER COMPANY

602-537-8600  
HC 31 BOX 138  
SHOW LOW, AZ 85901

586

5/1/02 19

91-2/1221

Pay to  
the order of

Navajo County Treasurer

\$ 1,569.54

One thousand, five hundred and sixty-nine and 54/100 Dollars

BANK ONE, ARIZONA, NA  
SHOW LOW OFFICE (037)  
SHOW LOW, ARIZONA

For 929-71-000

*Jon Chioy*

122100024105860094454440000156954

WHITE MOUNTAIN WATER COMPANY

602-537-8600  
HC 31 BOX 138  
SHOW LOW, AZ 85901

617

10/31/02 19

91-2/1221

Pay to  
the order of

Navajo County

\$ 2,148.89

Two thousand, one hundred and forty-eight and 89/100 Dollars

BANK ONE, ARIZONA, NA  
SHOW LOW OFFICE (037)  
SHOW LOW, ARIZONA

For 929-71-000

*Jon Chioy*

122100024106170094454440000214889

COMMUNITY FIRST BANK >0913000364  
FARGO, N. DAKOTA  
280058244 06-05-02 41 8220140428

PAY TO THE ORDER OF  
COMMUNITY FIRST BANK  
HOLBROOK AZ  
FOR DEPOSIT ONLY  
NAVAJO COUNTY TREASURER  
8220140428

JF '02' 06

1221000024  
BANK ONE, NA  
DENIX, ARIZONA

COMMUNITY FIRST BANK >0913000364  
FARGO, N. DAKOTA  
280054834 11-06-02 11 57803500001

PAY TO THE ORDER OF  
COMMUNITY FIRST BANK  
HOLBROOK AZ  
FOR DEPOSIT ONLY  
NAVAJO COUNTY TREASURER  
8220140428

BANK ONE, NA  
1221000024  
11072002

52121042